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SECTION 638, DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1956

REPORT

TO THE

COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

BY MR. MAHON

FROM THE

SUBCOMMITTEE ON DEPARTMENT OF DEFENSE
EIGHTY-FOURTH CONGRESS
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SECTION 638, DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1956

Section 638 of the Department of Defense Appropriation Act, 1956, reads as follows:

SEC. 638. No part of the funds appropriated in this Act may be used for the disposal or transfer by contract or otherwise of work that has been for a period of three years or more performed by civilian personnel of the Department of Defense unless justified to the Appropriations Committees of the Senate and House of Representatives, at least ninety days in advance of such disposal or transfer, that its discontinuance is economically sound and the work is capable of performance by a contractor without danger to the national security: *Provided*, That no such disposal or transfer shall be made if disapproved by either committee within the ninety-day period by written notice to the Secretary of Defense.

In compliance with provisions of the above, the Department of Defense has by letters of August 8, 1955, November 3, 1955, November 17, 1955, and January 4, 1956, advised the Committee of its intent to discontinue a total of 56 commercial and industrial type operations and facilities at various Army, Navy, and Air Force installations. Although, with respect to the activities contained in the Department's letter of August 8 the ninety-day period expired November 7, the Committee requested and the Department agreed to withhold action until the reconvening of Congress in order that full and proper consideration could be given the Department's proposals.

The hearings on these facilities disclosed considerable doubt as to the advisability of closing the following facilities and which, accordingly, are disapproved by the Committee. These are as follows:

Ropewalk, Naval Shipyard, Boston, Massachusetts,
Chain manufacturing, Naval Shipyard, Boston, Massachusetts,
Paint manufacturing, Naval Shipyard, Mare Island, California,
Paint manufacturing, Naval Shipyard, Norfolk, Virginia.

The Committee is of the belief that the ropewalk should be continued in operation to the extent necessary to provide the Navy with adequate research and development and testing facilities. Obviously a certain amount of rope will have to continue to be manufactured for this purpose, and it would seem that production adequate to an economical operation should be planned.

It was testified that the chain manufacturing shop is the only such shop where chains for the *Forrestal*-type carriers can be manufactured. This type production is planned to be continued by the Navy. However, as in the case of the ropewalk, sufficient output of other chains should be planned if necessary to insure economical operation. When and if requirements for the *Forrestal*-type carriers are fulfilled, another review of the chain manufacturing facility will be in order.

With respect to the paint manufacturing plants at Norfolk and Mare Island, the Committee is convinced that it is premature to close these plants at this time. Information received indicates that the industry

is not quite prepared to assume production of certain special-type paints now being manufactured. Many of the Navy ships are required to remain at sea for long periods of time and a special type paint, which has been developed by the Navy, and which is presently being used for this purpose, is not readily available from private industry. The Navy requested bids of 47 paint manufacturing companies some time ago for certain types of required paint, and only one qualified offer was received. Under all the circumstances, the Committee feels that it would not be in the best interest of national defense or the Government for the paint shops at Norfolk and Mare Island to be discontinued. However, the Committee would be glad to give further consideration to the matter at some future time if the situation is changed.

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